Jefferson had a moral message to the future public servants in this regard. He believed that those who are entrusted by their constituents to represent them, as he said, ''shall consider themselves unauthorized to saddle posterity with our debts and are morally bound to pay them ourselves.''

Jefferson expanded on this message in a letter he wrote to James Madison in 1798. He said, ''Neither the representatives of a nation, nor the whole nation itself assembled, can validly engage debts beyond what they may pay in their own time.''

Still writing to Madison, he explicitly endorsed a balanced budget amendment, stating, ''With respect to future debts, would it not be wise and just for a nation to declare in its constitution that neither the legislature nor the nation, itself, can validly contract more debt than it may pay within its own age.''

So what would Jefferson think about where we are in this country today?

The CBO, the Congressional Budget Office, has projected that maintaining all of our current spending would eventually require that the middle class in this country would have to have a tax rate of almost two-thirds of all their income—63 percent—and that the small businesses in this country would have to see their tax rates skyrocket up to 88 percent in order to cover all the spending.

These numbers have a real impact on the lives of individuals, on families, and on businesses. So, if Congress were then to keep on spending and have to raise taxes as much as the CBO has prescribed, Congress would do what? Congress would basically doom our families to a crushing tax burden, and this would smother the ability of businesses to expand and, therefore, to create jobs.

See, the economics of all this is very clear. If we refuse to address our spending problems, tax rates are going to have to rise, and they will rise in such a manner that would commit future generations to a tax burden to pay for—what?—the spending of today.

So we now, as often is the case, stand at a crossroads. We can continue to do as we have done in the past, which is to overspend and borrow and put this burden on our children, or we can do something else. We can demonstrate our commitment to a balanced budget by making it the supreme law of the land in this country.

Let me conclude then with a final quote from Jefferson:

''To preserve the people's independence, we must not let our government load us up with perpetual debt. We must make our selection between economy and liberty or profusion and servitude.''

So let's make Jefferson's dream a reality. Let us pass a balanced budget amendment.

MF GLOBAL

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Ohio (Ms. KAPTUR) for 5 minutes.

Ms. KAPTUR. Mr. Speaker, thank goodness some Americans continue to analyze the real causes of job loss and turmoil in our economy. While all eyes are on Europe, the problem just isn't in Greece.

On October 31, U.S.-based MF Global Holdings, Limited filed for chapter 11. It reportedly is the eighth largest bankruptcy in U.S. history. Its failure, like the crash in 2008, revolves around the actions of money traders using slick instruments called ''credit derivatives.'' As analysts try to piece together what happened at MF Global, one word seems to keep popping up: fraud.

I would like to include in the RECORD a few recent articles on the Wall Street perpetrators of this crisis.

[From Reuters, Nov. 7, 2011]

FRUSTRATION MOUNTS FOR MF GLOBAL CLIENTS

(By Lauren Tara LaCapra)

The sudden collapse of MF Global Holdings Ltd is leaving some small and independent futures traders angry and frustrated.

Customers of the bankrupt firm are starting to complain about getting checks that bounced, having requests to transfer funds denied and receiving inaccurate account statements.

The growing litany of woes is adding to the tasks for the receiver assigned to liquidate MF Global and causing some investors to voice concern about the basic plumbing of the financial services system.

Steve Meyers, an independent futures trader in Florida, said he asked for $500,000 from his MF Global account to be wired back to him on October 28 because he was concerned about the firm filing for bankruptcy.

The money never was wired.

Instead, on November 2, Meyers received several checks from MF Global that were dated October 28. By the time he went to deposit the checks, MF Global had filed for bankruptcy on October 31 and the checks were not honored for payment.

Between himself and several clients he manages money for, Meyers said he has several millions of dollars still tied up with MF Global.

''I am sitting with hundreds of thousands of dollars in returned checks,'' said Meyers. ''I just think the industry has suffered irreparable damage from this.''

Other clients of the firm led by former New Jersey Governor Jon Corzine are telling similar stories.

Chris Ries, who co-manages a commodities brokerage and grain dealer in Iowa that cleared trades through MF Global, said several clients had checks bounce even though they deposited them before MF Global's bankruptcy on October 31.

The situation has been made worse, he said, because customers' account balances appear as though they received the cash even though the checks did not clear.

''Eventually it may all get cleared up,'' said Ries, ''but for now, accounts with bounced checks don't reflect the balance that they should.''

Missing $600 Million

Some clients' checks were drawn on an MF Global account held at a Harris Bank branch in Illinois. Harris Bank is a subsidiary of Bank of Montreal.

Jim Kappel, a spokesman for Harris, said the bank began denying payment and returning checks on November 1, at the direction of the bankruptcy trustee. While some checks might have been dated before October 31, he said, they were likely debited at a later date.

Clients' issues with bounced checks come as MF Global and its regulators continue to hunt for $600 million in client money that has gone missing. It is not clear if some of the bounced checks are part of the unaccounted money.

It appears MF Global began issuing checks to customers seeking funds—instead of wiring the money—as a way to buy some time for the firm, which was hoping to arrange a last-minute sale to Interactive Brokers, some of the customers say. The deal fell apart last Monday when the issue of the missing customer money arose.

A week later, regulators have yet to provide an answer on what became of the missing $600 million, although some money has been located in an account with JPMorgan Chase.

Brokers who cleared through MF Global say they have been allowed to move some of their money to new firms, but not all of it. They have been waiting for guidance from the trustee or regulators on when they will get access to all of their funds.

Frustration

MF Global's trustee, James Giddens, had frozen 150,000 accounts when the firm filed for bankruptcy protection.

On Monday, Giddens said $1.5 billion worth of client money had been transferred to other firms. But the trustee and CME Group Inc, which regulates futures exchanges, have held back some $1 billion in customer funds as they search for the missing money, angering clients who can trade again but are still frozen out of their excess collateral and cash.

''We can understand the frustration of customers,'' Kent Jarrell, a spokesman for the trustee, told Reuters. ''That is why we are working around the clock to facilitate the transfer and return of customer assets. Unfortunately, this will take time as we conduct our independent and thorough investigation and maximize the estate for all stakeholders in a fair process.''

Some traders who tried to move their money from MF Global to other clearing firms or banks even before the company went belly-up have also been left in the lurch.

One independent options trader in Chicago said he placed a wire request on the morning of October 28 to transfer $1.25 million from MF Global to JPMorgan Chase.

The transfer never occurred.

An MF Global representative said JPMorgan rejected the transfer because of errors in the account number, the trader said, but upon double-checking the wire request form he found no mistakes. The funds have remained frozen at MF Global since its bankruptcy, he said.

''We pretty much have zero clarity,'' said the trader, who did not want to be identified. ''I have a feeling the wire instructions probably just got lost in the turmoil.''

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In a recent posting, attorney William Black describes the failure of our justice system to investigate ''accounting control fraud as a systemic risk that underlies the damage still being done.''

The collapse of MF Global has garnered massive attention, partly because Jon Corzine sat at its helm. Mr. Corzine is a former chief executive officer of infamous Goldman Sachs. He is also a former U.S. Senator and former

Governor of New Jersey. Mr. Corzine's firm even held a special status as a primary dealer at the New York Federal Reserve. That's like the Good Housekeeping stamp of approval. Mr. Corzine isn't the only former government leader whose cozy relationship with the financial services industry is being publicly questioned.

Former Speaker of this House Newt Gingrich appears to have had a significant financial relationship with Freddie Mac, one of the mortgage industry giants led by its management into financial ruin. Freddie Mac played a key role in the financial meltdown. As countless American families have lost their homes, Freddie Mac assumed the toxic assets that were handed to it from the banks. And it is now under conservatorship of the Federal Government, living off the taxpayer dime. Mr. Gingrich is apparently $1.8 million richer, though he claims he isn't sure how much Freddie paid him.

I now see why Congress has consistently failed to investigate what happened at Freddie Mac along with Fannie Mae to determine exactly what decisions, by whom—by whom and when led to this financial ruin. I have a bill to do just that. H.R. 2093, the Fannie Mae and Freddie Mac Commission Act. It's well past time to pass it, and I invite Members to join me in this effort.

The allegations against MF Global are serious. Mr. Corzine's firm had essentially placed a $6.3 billion bet on the sovereign debt of several European governments. After its most recent quarterly returns showed almost $200 million in losses, MF Global's stock lost 67 percent of its value. But this is not just a case of an investment firm being lured by the higher returns of riskier bonds. CME Group, Inc., who audited MF Global's accounts, found that Mr. Corzine's company violated key requirements to keep its accounts separate from its clients'. The details are still being sorted out, but as much as $600 million appears to be missing from customer accounts.

The financial press is reporting a staggering amount of malfeasance in the days before MF Global filed for bankruptcy. In an apparent effort to buy themselves time, MF Global sent checks instead of wiring money. The checks turned out to be bogus. There are stories of requests to transfer funds being denied and even inaccurate account statements being issued. Even more egregious are accounts of people receiving bounced checks, going back and finding that their accounts were also altered inappropriately. If this isn't fraud, what is?

What should concern all of us is the knowledge that fraud is not limited to a case here or there. In the financial services sector, fraud has become systemic. In 2009, the FBI testified before the House Judiciary Committee, "The current financial crisis has produced one unexpected consequence: It has exposed prevalent fraud schemes that have been thriving in the global financial system. These fraud schemes are not new, but they are coming to light as a result of market deterioration."

This isn't the first time our country has seen a massive crime wave in the financial services industry. In the 1980s, it was the savings and loan crisis, and the FBI responded with a staff of 1,000 agents and forensic experts based in 27 cities. That crisis was much smaller than what we are seeing today, yet today the FBI only has a couple hundred agents able to investigate. I have a bill, H.R. 1350, that asks that number to be increased by 1,000. I ask my colleagues to help cosponsor it, and let's bring some reason and prudence back to the financial markets of our country and let's exact real justice for the American people.

THE VIRGIN CRISIS: SYSTEMATICALLY IGNORING FRAUD AS A SYSTEMIC RISK

(By William K. Black)

One of the most revealing things about this crisis is the unwillingness to investigate whether "accounting control fraud" was a major contributor to the crisis. The refusal to even consider a major role for fraud is facially bizarre. The banking expert James Pierce found that fraud by senior insiders was, historically, the leading cause of major bank failures in the United States. The national commission that investigated the cause of the S&L debacle found:

"The typical large failure [grew] at an extremely rapid rate, achieving high concentrations of assets in risky ventures. . . . [E]very accounting trick available was used. . . . Evidence of fraud was invariably present as was the ability of the operators to "milk" the organization." (NCFIRRE 1993) Two of the nation's top economists'' study of the S&L debacle led them to conclude that the S&L regulators were correct—financial deregulation could be dangerously criminogenic. That understanding would allow us to avoid similar future crises. "Neither the public nor economists foresaw that [S&L deregulation was] bound to produce looting. Nor, unaware of the concept, could they have known how serious it would be. Thus the regulators in the field who understood what was happening from the beginning found lukewarm support, at best, for their cause. Now we know better. If we learn from experience, history need not repeat itself' (George Akerlof & Paul Romer. "Looting: the Economic Underworld of Bankruptcy for Profit." 1993: 60).

The epidemic of accounting control fraud that drove the second phase of the S&L debacle (the first phase was caused by interest rate risk) was followed by an epidemic of accounting control fraud that produced the Enron era frauds.

The FBI warned in September 2004 that there was an "epidemic" of mortgage fraud and predicted that it would cause a financial "crisis" if it were not contained. The mortgage banking industry's own anti-fraud experts reported in writing to nearly every mortgage lender in 2006 that:

"Stated income and reduced documentation loans speed up the approval process, but they are open invitations to fraudsters." "When the stated incomes were compared to the IRS figures: [90%] of the stated incomes were exaggerated by 5% or more. [A]lmost 60% were exaggerated by more than 50%. [T]he stated income loan deserves the nickname used by many in the industry, the 'liar's loan' " (MARI 2006).

We know that accounting control fraud is itself criminogenic—fraud begets fraud. The fraudulent CEOs deliberately create the perverse incentives that that suborn inside and outside employees and professionals. We have known for four decades how these perverse incentives produce endemic fraud by generating a "Gresham's" dynamic in which bad ethics drives good ethics out of the marketplace.

"[D]ishonest dealings tend to drive honest dealings out of the market. The cost of dishonesty, therefore, lies not only in the amount by which the purchaser is cheated; the cost also must include the loss incurred from driving legitimate business out of existence." George Akerlof (1970).

Akerlof noted this dynamic in his seminal article on markets for "lemons," which led to the award of the Nobel Prize in Economics in 2001. It is the giants of economics who have confirmed what the S&L regulators and criminologists observed when we systematically "autopsied" each S&L failure to investigate its causes. Modern executive compensation has made accounting control fraud vastly more criminogenic than it once was as investigators of the current crisis have confirmed.

"Over the last several years, the subprime market has created a race to the bottom in which unethical actors have been handsomely rewarded for their misdeeds and ethical actors have lost market share. . . . The market incentives rewarded irresponsible lending and made it more difficult for responsible lenders to compete." Miller, T. J. (August 14, 2007). Iowa AG.

Liar's loans offer what we call a superb "natural experiment." No honest mortgage lender would make a liar's loan because such loans have a sharply negative expected value. Not underwriting creates intense "adverse selection." We know that it was overwhelmingly the lenders and their agents that put the lies in liar's loans and the lenders created the perverse compensation incentives that led their agents to lie about the borrowers' income and to inflate appraisals. We know that appraisal fraud was endemic and only agents and their lenders can commit widespread appraisal fraud. Iowa Attorney General Miller's investigations found:

"[Many originators invent] non-existent occupations or income sources, or simply inflat[e] income totals to support loan applications. Importantly, our investigations have found that most stated income fraud occurs at the suggestion and direction of the loan originator, not the consumer."

New York Attorney General (now Governor) Cuomo's investigations revealed that Washington Mutual (one of the leaders in making liar's loans) developed a blacklist of appraisers—who refused to inflate appraisals. No honest mortgage lender would ever inflate an appraisal or permit widespread appraisal inflation by its agents. Surveys of appraisers confirm that there was widespread pressure by nonprime lenders and their agents to inflate appraisals.

We also know that the firms that made and purchased liar's loans followed the respective accounting control fraud "recipes" that maximize fictional short-term reported income, executive compensation, and (real) losses. Those recipes have four ingredients:

1. Grow like crazy
2. By making (or purchasing) poor quality loans at a premium yield
3. While employing extreme leverage, and
4. Providing only grossly inadequate allowances for loan and lease losses (ALLL) against the losses inherent in making or purchasing liars loans

Firms that follow these recipes are not "gamblers" and they are not taking "risks." Akerlof & Romer, the S&L regulators, and criminologists recognize that this recipe provides a "sure thing." The exceptional (albeit fictional) income, real bonuses, and real losses are all sure things for accounting control frauds.

Liar's loans are superb ''ammunition'' for accounting control frauds because they (and appraisal fraud) allow the fraudulent mortgage lenders and their agents to attain the unholy fraud trinity: (1) the lender can charge a substantial premium yield, (2) on a loan that appears to relatively lower risk because the lender has inflated the borrowers' income and the appraisal, while (3) eliminating the incriminating evidence of fraud that real underwriting of the borrowers' income and salary would normally place in the loan files. The government did not require any entity to make or purchase liar's loans (and that includes Fannie and Freddie). The states and the federal government frequently criticized liar's loans. Fannie and Freddie purchased liar's loans for the same reasons that Merrill, Lehman, Bear Stearns, etc. acquired liar's loans—they were accounting control frauds and liar's loans (and CDOs backed by liar's loans) were the best available ammunition for maximizing their fictional reported income and real bonuses.

Liar's loans were large enough to hyper-inflate the bubble and drive the crisis. They increased massively from 2003–2007.

''[B]etween 2003 and 2006 . . . subprime and Alt-A [loans grew] 94 and 340 percent, respectively.

The higher levels of originations after 2003 were largely sustained by the growth of the nonprime (both the subprime and Alt-A) segment of the mortgage market.'' ''Alt-A: The Forgotten Segment of the Mortgage Market'' (Federal Reserve Bank of St. Louis 2010).

The growth of liar's loans was actually far greater than the extraordinary rate that the St. Louis Fed study indicated. Their error was assuming that ''subprime'' and ''alt-a'' (one of the many misleading euphemisms for liar's loans) were dichotomous. Credit Suisse's early 2007 study of nonprime lending reported that roughly half of all loans called ''subprime'' were also ''liar's'' loans and that roughly one-third of home loans made in 2006 were liar's loans. That fact has four critical implications for this subject. The growth of liar's loans was dramatically larger than the already extraordinary 340% in three years reported by the St. Louis Fed because, by 2006, half of the loans the study labeled as ''subprime'' were also liar's loans. Because loans the study classified as ''subprime'' started out the period studied (2003) as a much larger category than liar's loans the actual percentage increase in liar's loans from 2003–2006 is over 500%. The first critical implication is that it was the tremendous growth in liar's loans that caused the bubble to hyper-inflate and delayed its collapse.

The role of accounting control fraud epidemics in causing bubbles to hyper-inflate and persist is another reason that accounting control fraud is often criminogenic. When such frauds cluster they are likely to drive serious bubbles. Inflating bubbles optimize the fraud recipes for borrowers and purchasers of the bad loans by greatly delaying the onset of loss recognition. The saying in the trade is that ''a rolling loan gathers no loss.'' One can simply refinance the bad loans to delay the loss recognition and book new fee and interest ''income.'' When entry is easy (and entry into becoming a mortgage broker was exceptionally easy), an industry becomes even more criminogenic.

Second, liar's loans (and CDOs ''backed'' by liar's loans) were large enough to cause extreme losses. Millions of liar's loans were made and those loans caused catastrophic losses because they hyper-inflated the bubble, because they were endemically fraudulent, because the borrower was typically induced by the lenders' frauds to acquire a home they could not afford to purchase, and because the appraisals were frequently inflated. Do the math: roughly one-third of home loans made in 2006 were liar's loans and the incidence of fraud in such loans was 90%. We are talking about an annual fraud rate of over one million mortgage loans from 2005 until the market for liar's loans collapsed in mid-2007.

Third, the industry massively increased its origination and purchase of liar's loans after the FBI warned of the developing fraud ''epidemic'' and predicted it would cause a crisis and then massively increased its origination and purchase of liar's loans after the industry's own anti-fraud experts warned that such loans were endemically fraudulent and would cause severe losses. Again, this provides a natural experiment to evaluate why Fannie, Freddie, et alia, originated and purchased these loans. It wasn't because ''the government'' compelled them to do so. They did so because they were accounting control frauds.

Fourth, the industry increasingly made the worst conceivable loans that maximized fictional short-term income and real compensation and losses. Making (or purchasing) liar's loans that are also subprime loans means that the originator is making (or the purchaser is buying) a loan that is endemically fraudulent to a borrower who has known, serious credit problems. It's actually worse than that because lenders also increasingly added ''layered'' risks (no downpayments and negative amortization) in order to optimize accounting fraud. Negative amortization reduces the borrowers' short-term interest rates, delaying delinquencies and defaults (but producing far greater losses). Again, this strategy maximizes fictional income and real losses. Honest home lenders and purchasers of home loans would not act in this fashion because the loans must cause catastrophic losses.

To sum it up, the known facts of this crisis refute the rival theories that the lenders/purchasers originated/bought endemically fraudulent liar's loans because (a) ''the government'' made them (or Fannie and Freddie) do so, or (b) because they were trying to maximize profits by taking ''extreme tail'' (i.e., an exceptionally unlikely risk). The risk that a liar's home loan will default is exceptionally high, not exceptionally low. The known facts of the crisis are consistent with accounting control frauds using liar's loans (in the United States) as their ''ammunition of choice'' in accordance with the conventional fraud ''recipe'' used that caused prior U.S. crises.

It is bizarre that in such circumstances the automatic assumption of the Bush and Obama administrations has been that fraud isn't even worth investigating or considering in connection with the crisis. It is as if millions of liar's loans purchased and resold as CDOs largely by systemically dangerous institutions are an inconvenient distraction from campaign fundraising efforts. Instead, we have the myth of the virgin crisis unsullied by accounting control fraud. Indeed, contrary to theory, experience, and reality, the Department of Justice has invented the faith-based fiction that looting cannot occur.

Benjamin Wagner, a U.S. Attorney who is actively prosecuting mortgage fraud cases in Sacramento, Calif., points out that banks lose money when a loan turns out to be fraudulent. ''It doesn't make any sense to me that they would be deliberately defrauding themselves,'' Wagner said. Wagner's statement is embarrassing. He conflates ''they'' (referring to the CEO) and ''themselves'' (referring to the bank). It makes perfect sense for the CEO to loot the bank. Looting is a ''sure thing'' guaranteed to make the CEO wealthy. ''Looting'' destroys the bank (that's the ''bankruptcy'' part of Akerlof & Romer's title) but it produces the ''profit'' for the CEO. It is the deliberate making of masses of bad loans at premium yields that allows the CEO to profit by looting the bank. When the top prosecutor in an epicenter of accounting control fraud defines the most destructive form of financial crime out of existence he allows elite fraud to occur with impunity.

As embarrassing as Wagner's statement is, however, it cannot compete on this dimension with that of his boss, Attorney General Holder. I was appalled when I reviewed his testimony before the Financial Crisis Inquiry Commission (FCIC). Chairman Angelides asked Holder to explain the actions the Department of Justice (DOJ) took in response to the FBI's warning in September 2004 that mortgage fraud was ''epidemic'' and its prediction that if the fraud epidemic were not contained it would cause a financial ''crisis.'' Holder testified: ''I'm not familiar myself with that [FBI] statement.'' The DOJ's (the FBI is part of DOJ) preeminent contribution with respect to this crisis was the FBI's 2004 warning to the nation (in open House testimony picked up by the national media. For none of Holder's senior staffers who prepped him for his testimony to know about the FBI testimony requires that they know nothing about the department's most important and (potentially) useful act. That depth of ignorance could not exist if his senior aides cared the least about the financial crisis and made it even a minor priority to understand, investigate, and prosecute the frauds that drove the crisis. Because Holder was testifying in January 14, 2010, the failure of anyone from Holder on down in his prep team to know about the FBI's warnings also requires that all of them failed to read any of the relevant criminology literature or even the media and blogosphere.

In addition to claiming that the DOJ's response to the developing crisis under President Bush was superb, Holder implicitly took the position that (without any investigation or analysis) fraud could not and did not pose any systemic economic risk. Implicitly, he claimed that only economists had the expertise to contribute to understanding the causes of the crisis. If you don't investigate; you don't find. If you don't understand ''accounting control fraud'' you cannot understand why we have recurrent, intensifying financial crises. If Holder thinks we should take our policy advice from Larry Summers and Bob Rubin, leading authors of the crisis, then he has abdicated his responsibilities to the source of the problem. ''Now let me state at the outset what role the Department plays and does not play in addressing these challenges'' [record fraud in investment banking and securities].

''The Department of Justice investigates and prosecutes federal crimes. . . .''

''As a general matter we do not have the expertise nor is it part of our mission to opine on the systemic causes of the financial crisis. Rather the Justice Department's resources are focused on investigating and prosecuting crime. It is within this context that I am pleased to offer my testimony and to contribute to your vital review.'' Two aspects of Holder's testimony were preposterous, dishonest, and dangerous.

''I'm proud that we have put in place a law enforcement response to the financial crisis that is and will continue to be is aggressive, comprehensive, and well-coordinated.''

DOJ has obtained ten convictions of senior insiders of mortgage lenders (all from one obscure mortgage bank) v. over 1000 felony convictions in the S&L debacle. DOJ has not conducted an investigation worthy of the name of any of the largest accounting control frauds. DOJ is actively opposing investigating the systemically dangerous institutions (SDIs).

Holder's most disingenuous and dangerous sentence, however, was this one:

''Our efforts to fight economic crime are a vital component of our broader strategy, a strategy that seeks to foster confidence in our financial system, integrity in our markets, and prosperity for the American people.'' Yes, the ''confidence fairy'' ruled at DOJ. It is the rationale now for DOJ's disgraceful efforts to achieve immunity for the SDIs' endemic frauds. The confidence fairy trumped and traduced ''integrity in our markets'' and ''prosperity for the American people.'' Prosperity is reserved for the SDIs and their senior managers—the one percent.

PUT AMERICA BACK ON A PATH TO PROSPERITY

The SPEAKER pro tempore. The Chair recognizes the gentleman from Georgia (Mr. AUSTIN SCOTT) for 5 minutes.

Mr. AUSTIN SCOTT of Georgia. Mr. Speaker, I rise today to talk about passing a balanced budget amendment today. I will tell you, there's been a global debate most recently over the finances of the world. And even in Europe, in the eurozone, Merkel and Sarkozy are proposing that balanced budget amendments be a part of the constitutions of those countries that make up the eurozone. It's not often that you will find me agreeing with President Sarkozy. He is certainly not the great leader that Benjamin Netanyahu is. But on this one, I do believe that he was right to come out of his foxhole and support the balanced budget amendments.

Every year, our Americans sit down at the kitchen table, pencil and paper in hand, and balance their budgets in their households. Every American business owner will tell you that they cannot continually deficit spend the way this country has well over the last decade.

Mr. Speaker, the people of Georgia's Eighth Congressional District are hardworking and responsible people. They expect the same of their government leaders. They work each day to ensure that the future remains bright for their children and grandchildren, and they sent me here to do the same.

The work that will be required by the balanced budget will not be easy, but Americans are counting on us. They are counting on us to make tough decisions and put America back on a path to prosperity. Passing the balanced budget amendment is the first step to that.

THE TROJAN HORSE BALANCED BUDGET AMENDMENT

The SPEAKER pro tempore. The Chair recognizes the gentlewoman from Wisconsin (Ms. MOORE) for 5 minutes.

Ms. MOORE. Later on today we will be considering the so-called balanced budget amendment. And while I join my colleagues in sharing the view that we need to gain control of our national debt, I rise to commiserate our loss of a balanced perspective on what we, as elected Representatives of the people of the United States of America, regard as assets and liabilities on our American Government balance sheet. I am appalled, Mr. Speaker, at our loss of perspective on what good government really means as we balance our policy priorities in this moral document, our budget.

Mr. Speaker, we have perverted the concept of a healthy balance sheet as we worship at the feet of a religion that tones that government should be limited and, perhaps, have no role in the health, welfare, and safety of the American people.

Balancing the budget sounds so simple, so appealing, but that's not a truthful description of what this balanced budget amendment would do. This amendment is nothing more than a Trojan horse hiding the Republicans' true ambition, which is requiring major cuts to vital programs, dramatically shrinking the legitimate role of government, and enshrining this agenda in the United States Constitution.

A balanced budget? A balance sheet contains both assets and liabilities.

I would submit, Mr. Speaker, that it is a perversion of our American values to see our children, our future, as mere liabilities; our students, who need the government to invest in their higher educations, as mere liabilities; our communities, the economic engines of our economy who may be subjected to natural disasters such as hurricanes and other liabilities, who need to rebuild modern transportation systems, to see these as mere liabilities; and American folks, who need to breathe clean air and drink clean water, as mere liabilities on the Federal Government balance sheet.

According to an analysis released this week by the Center on Budget and Policy Priorities, the amendment we are considering today would force cuts to all programs by an average of 17.3 percent by 2018. And if revenues are not raised, which there seems to be an anathema to doing that, all these programs will be cut by the same percentage. Social Security cut by $184 billion in 2018 alone; Medicare cut by $117 billion in 2018; Medicaid and the Children's Health Insurance Program cut by $80 billion in 2018.

We have constructed a balance sheet where our people are not viewed as assets. Our American universities, our students, the next generation of inventions and innovators are seen as welfare recipients when we provide them with Pell Grants. Seniors who have earned retirement security are now seen as a drain on our system. These seniors who built our economy through their ingenuity and sweat, Medicare and Social Security for them is seen as socialism.

Mr. Speaker, we have heard the constant drumbeat demanding that we severely restrain the benefits and the rights we provide to our seniors and our people. And what do we regard as our assets on our balance sheet? Our bloated, cold war-era military buildup.

And what kind of balance sheet, Mr. Speaker, expends trillions of dollars on tax breaks to millionaires and expatriate corporations and treats revenue loss needed for the legitimate operation of the government like assets?

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This is a balance sheet reminiscent of a corporate raider that strips down all of the assets and leaves the company limping lifeless in the dust.

What kind of country lauds a balanced budget that achieves this balance on the backs of children, students, working class families, the disabled, the hungry, the infirm, the elderly, the environment, victims of natural disasters, and wounded veterans returning to unemployment and a jobless economy? Is this a balanced budget, Mr. Speaker, or is this our unbalanced priorities?

Mr. Speaker, I thank you for your indulgence in listening to me today.

THE ABLE ACT

The SPEAKER pro tempore. The Chair recognizes the gentleman from Florida (Mr. CRENSHAW) for 5 minutes.

Mr. CRENSHAW. Mr. Speaker, I just wanted to make my colleagues aware of some legislation that I filed this week, along with 28 original cosponsors, Democrats and Republicans. The legislation was filed in the Senate, as well, so it's a bipartisan, bicameral effort. It's going to be known as the ABLE Act, Achieving a Better Life Experience. This is legislation that will paint a brighter future, make a brighter pathway for individuals with disabilities to meet the uncertainties that they face.

I think we all recognize that individuals with disabilities, be it autism, be it Down's syndrome, they face tremendous challenges today. They face struggles, both financial struggles and personal struggles, that most of us can't even imagine. And they face those struggles without the advantage that our Tax Code offers for a lot of people in our society.

For instance, if you want to save for college, you can set up a tax-free savings account. The proceeds grow tax free, and you can use those moneys to pay your college tuition. If you want to save for retirement, you can set up a tax-free savings account. Those proceeds grow tax free, and you can use those dollars in your retirement years. If you want to save for medical insurance premiums, you can set up a health savings account and that account has tax advantages. And yet there are no vehicles like that for individuals with disabilities.

You can imagine, there are real-world examples where individuals with disabilities, they receive certain government benefits; but if they accumulate more than $2,000 of assets in their